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Supplement to

INDEX TO COMMISSION DECISIONS

March 16, 1987 through December 31, 1989

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Prepared by: THE OFFICE OF THE GENERAL COUNSEL

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SECURITIES AND EXCHANGE COMMISSION

Supplement to
INDEX TO COMMISSION DECISIONS
(March 16, 1987 through December 31, 1989)

The Index covers opinions and orders issued by the Commission (and certain orders issued by Commission officials under delegated authority) in the adjudication of cases. The decisions covered in this supplement were issued between March 16, 1987 and December 31, 1989.

The Index is divided into several sections. (In this Supplement, the sections have been designated Parts I through VII, as described below in the Table of Contents.) Generally, a given section corresponds to one of the major statutes administered by the Commission. However, the Securities Exchange Act has been treated in two separate sections, one for broker-dealer cases and another for other types of proceedings, such as delisting and reporting compliance proceedings. In addition, the "Practice and Procedure" section of the Index includes procedural rulings in all types of cases.

In the front of each section of the Index, there is a table of cases and a list of the principal headings used in that section. Cases have been assigned to the respective sections on the basis of the statute under which the proceedings were instituted.

Each Index heading and subheading has been assigned an index number. These numbers, which appear on the extreme left of the Index pages, are designed to aid in the use of the Index in conjunction with editions already issued and supplements to be issued in the future.

Two previous editions of the Index, covering the periods July 1, 1966 through June 30, 1975 and July 1, 1975 through March 15, 1987 respectively, use the same index number system. In this present edition, the index headings and subheadings of those previous editions (for Parts I through VII) have been retained, even if no case pertaining to a particular heading or subheading was issued during the period covered by this edition. In addition, the present edition contains new headings and subheadings that pertain to recent cases.

Those decisions or orders which have not been printed in any volume of the S.E.C. Decisions and Reports are cited by their release numbers under the pertinent statutes. In the Practice and Procedure section, release numbers are preceded by letters identifying the statute under which the release was issued. (For example, SA refers to Securities Act, SEA to Securities Exchange

Act, etc.) Orders which were not issued with a release number are cited by file number and date, which constitutes the full citation for such orders. Hence those orders are not listed in the tables of cases. Citations of releases in the tables of cases include references to the volume and page in the SEC Docket where the release appears.

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Mark James Hankoff, 48 S.E.C. 705.
270.581 Standard of Proof
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270.6907 Fuller Exploration of Issue in Light of Ambiguity in Existing Evidence
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270.700 Reporting Violation, Intent to Violate Unnecessary for NASD Disciplinary Action
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270.74005 Appeal, Motion to Reinstate Denied by Commission
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270.7401 Application for Review, Deemed Abandoned (Disposition on Delegated Authority)
Sperry Young Financial Services, Inc. (File No. 3-6862, 11/24/87); Versailles Capital Corp. (File No. 3-6975, 6/8/88); K. A. Knapp & Co., Inc. (File No. 3-6860, 11/1/88); Joe L. Howard (File No. 3-7047, 12/7/88); Doley Securities, Inc. (File No. 3-7036, 1/26/89; Wilton Lee Davidson (File No. 3-7076, 1/26/89); James E. Greenfield (File No. 3-7086, 2/14/89); Pietro Gattini (File No. 3-7130 (3/23/89); Mark D. Thomason (File No. 3-7137, 4/13/89); Edward L. Barger (File No. 7125, 5/2/89); Charles L. Campbell (File No. 3-7099, 9/29/89).
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270.7416 Individual Complainant and NASD, as Parties on Review
270.7417 Letters from Commission, Not a Binding Determination to Grant Review
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270.743 Scope and Nature
270.744 Summary Reversal, Denied
270.745 Timely Application or Brief, Failure to File (Disposition by Delegated Authority)
Sperry Young Financial Services, Inc. (File No. 3-6862, 11/24/87); Versailles Capital Corp. (File No. 3-6975, 6/8/88); Versailles Capital Corp. (File No. 3-6975, 8/22/88; K. A. Knapp & Co., Inc. (File No. 3-6860, 11/1/88); Joe L. Howard (File No. 3-7047, 12/7/88); Doley Securities, Inc. (File No. 3-7036, 1/26/89; Wilton Lee Davidson (File No. 3-7076, 1/26/89); James E. Greenfield (File No. 3-7086 (2/14/89); Doley Securities, Inc. (File No. 3-7036, 3/13/89);Pietro Gattini (File No. 3-7130 (3/23/89); Mark D. Thomason (File No. 3-7137, 4/13/89); Edward L. Barger (File No. 7125, 5/2/89); Charles L. Campbell (File No. 3-7099, 9/29/89).
270.746 NASD's Motion to Dismiss for Failure to File Timely Brief, Denied
Thomas C. Henry (File No. 3-7087, 4/12/89); John M. Reynolds (File No. 3-7203, 12/11/89).
270.7461 Filing of Brief, What Constitutes
Thomas C. Henry (File No. 3-7087, 4/12/89).
270.747 Violations, Inability to Find Different
270.770 Sales Literature, Use of Improper
270.772 Failure to File with Association
270.774 Name of Association, Use of in Literature

270.776 Statement of Policy Regarding Investment Company Sales Literature, Proscribed Material

270.777 Statement of Policy Regarding Investment Company Literature, No Violation Found

270.777A Statement of Policy Regarding Investment Company Sales Literature, Preparation and Use of Material Not Conforming

270.800-21 Sanctions Imposed by NASD, Commission Action as to

270.805 Affirmed

Walter C. Nathan, 48 S.E.C. 775 (censure, $5000 fine, 60 day full suspension, requirement to requalify); Robert S. C. Peterson, Inc., 48 S.E.C. 796 (censure and $5,000 joint fine); Nicholas A. Codispoti, 48 S.E.C. 842 (censure, separate $1,000 fines, requirement to requalify as general securities principal); Rita Delaney, 48 S.E.C. 886 (censure, $1,000 fine, one year full suspension, and bar from association in financial and operations area); Gary D. Cohee, 48 S.E.C. 917 (censure and $12,500 fine); R. A. Johnson & Company, Inc., 48 S.E.C. 943 (firm censured, fined $2,000, suspended one day from membership, and prohibited from executing principal transactions with retail customers for 30 days; principal censured, fined $2,000, suspended in full for 30 days and for two years in principal capacity); Allen S. Klosowski, 48 S.E.C. 954 (censures, fines of $2,000 and $10,000, full suspension for 30 days and disgorgement order); The Stuart-James Company, Inc., 48 S.E.C. 779 (censure and $500 fine); E. F. Hutton & Company, Inc., 25887 (letter of caution); Raymond M. Ramos, 26007 (censure, $15,000 fine, permanent bar); Whiteside & Company, Inc., 26187 (censure, $10,000 joint fine); Stephen M. Carter, 26264 (censure and permanent bar); R. B. Marich, Inc., 26307 (censure, $10,000 fine, one-day membership

suspension); John R. LaSalla, 26352 (censure and $10,000 fine imposed on one individual; censure, $30,000 fine and permanent bar imposed on another); Cosse' International Securities, Inc., 26424 (censure and $15,000 joint fine); Curtis I. Wilson, 26425 (censure, one-year suspension, requirement to requalify); Charles L. Campbell, 26510 (censure, $15,000 fine, bar from principal capacity); L. C. Thomas, 26530 (2-year suspensions and requirements to requalify); Shearson Lehman Hutton, Inc., 26766 (censure, $3,000 joint fine); LSCO Securities, Inc., 26779 (censures, firm and president fined $7,500; firm, president and vice president separately fined $1,000; full suspension of president for ten business days); Bradley Kanode, 26792 (censure, $15,000 fine, 6-month suspension); Eugene B. Connor, 26999 (censure, $2,388 fine, requirement to requalify); Rowe & Company, 27064 (censure, joint $5,000 fine); Hamilton Bohner, Inc., 27232 (firm censured, fined $15,000, suspended 30 days; president censured, fined $25,000, 1 year full suspension; vice-president censured, fined $15,000, 30 day full suspension; joint disgorgement to customer of $509,880 ordered); Stanley Gardenswartz, 27194 (censure, $40,000 fine, total bar); F.J. Kaufman and Company of Virginia, 27535 (censures, $5,000 joint fine, principal suspended in full for 45 days and thereafter barred as principal); Walter Capital Corporation, 27536 (censure, joint $15,000 fine, president suspended in full for 90 days and for one year as principal).

270.808 Effective Date of Sanction

270.809 Possible Employment in Non-Supervisory, Non-Proprietary Position, Not Precluded

270.809A Publication of Sanctions Pending Appeal to Commission

270.810 Reduced

Mark James Hankoff, 48 S.E.C. 705 (censure, $20,000 fine, 30 day full

suspension, and bar as a principal with right to re-apply after 2 years upon re-examination, reduced to censure, $5,000 fine, four-month suspension as principal with requirement to requalify); David B. Harman, 48 S.E.C. 950 ($10,000 fine reduced to $1,000; censure and bar with right to re-apply after two years affirmed); Zester Herbert Hatfield, 48 S.E.C. 958 (censure, $25,000 fine and permanent bar reduced to censure and $12,500 fine); SECO Securities, Inc., 26054 (fines of $50,000 and $15,000 reduced to $10,000 and $3,000 respectively; cenures, two-day suspension of membership, ten day suspension as principal, and requirement to requalify affirmed).

270.815 Remanded

270.817 Revocation, as Not Necessarily Permanent Bar

270.818 Sanctions Affirmed by Commission Following Remand

270.819 Sanctions Reduced by Commission Following Remand to NASD

270.821 Set Aside, NASD Action
Robert J. Jautz, 48 S.E.C. 702; Traiger Energy Investments, 48 S.E.C. 930.

270.8217 Upon Review After Remand

270.822 State Law, Noncompliance with

270.822A Section 18 of Article III of NASD's Rules of Fair Practice, Comparable to Section 10(b) of the Exchange Act

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Where issuer improperly recognized revenue on consignment transactions before completing or shipping goods, and, in one case, before receiving purchase order, improperly recognized revenue upon shipment of computer hardware under long-term contracts by "unbundling" contracts' hardware component despite high uncertainty regarding contracts' performance and lack of controls and records to track costs, and on another long-term contract, improperly used percentage of completion method despite inability to track completion cost, with the results that issuer's quarterly financial statements filed with its Forms 10-Q materially overstated revenues and net income, held, issuer violated the requirements of Exchange Act Sections 13(a) and 13(b)(2)(A) and (B) and Rules 12b-20 and 13a-13 thereunder and ordered that issuer comply with those provisions and file with Form 8-K a copy of instant order and offer to mail same to any

requesting shareholder. Wespercorp, 48 S.E.C. 731 (1987).

Where individual who, during relevant period, served as issuer's controller, was aware of inadequate accounting procedures and internal controls pertaining to accounts receivable and withheld from auditors certain accounts payable invoices, with the result that issuer's financial statements misstated inventory, stockholders' equity, and income, held, individual caused issuer to violate Sections 13(b)(2)(A) and 13(b)(2)(B) of the Act, and failed to comply with Rules 13b2-1 and 13b2-2 thereunder, and ordered that individual shall comply with such statutory provisions and rules thereunder. Leo D. Sye, 48 S.E.C. 744.

Where individuals who, during relevant period, were plant managers of issuer, falsified inventory figures with the result that issuer's financial statements misstated inventory, stockholders' equity, and income, held, individuals caused issuer to violate Section 13(b)(2)(A) of the Act and failed to comply with Rule 13b2-1 thereunder, and ordered that individuals shall comply with such section and rule and with undertakings. Benny Aguirre, 48 S.E.C. 750.

Individuals who, during relevant period were plant managers of issuer, could not escape culpability on the ground that their violative conduct was condoned, or even ordered under threat of firing, by their superiors. Benny Aguirre, 48 S.E.C. 750.

Where issuer, a bank holding company, lacked adequate procedures to determine loan loss reserve requirements for those segments of its portfolio where no probable loss was specifically quantified, gave undue consideration to possible positive future events and to oral assurances by borrowers or related persons, and failed to document the process by which it ultimately established its overall loan loss reserve, as a result of which its income was materially misstated on

Forms 8-K and 10-K, held, issuer violated the reporting provisions of Section 13(a) of the Exchange Act and Rules 12b-20, 13a-1, and 13a-11 thereunder and the internal control requirements of Section 13(b)(2)(B) of the Act, and ordered that issuer comply with those provisions and with its undertakings to restate financial statements, file restated statements and notice of the instant proceeding on Form 8-K, and maintain improved procedures concerning allowance for loan losses. First Chicago Corporation, 48 S.E.C. 757.

Once it has been determined that a specific loan has been impaired, the lender must endeavor to determine the most likely quantification of the probable loss on that loan. It is inappropriate in that respect to anticipate effect of positive future events except to the extent there is reasonable and documented evidence of event's probability and impact. First Chicago Corporation, 48 S.E.C. 757.

In making loan loss reserve decisions in a distress situation, lender cannot rely upon oral assurances absent reasonable and documented objective evidence that the assurance will be honored. First Chicago Corporation, 48 S.E.C. 757.

Scienter is not required for a finding of a direct violation of Section 13(a) of the Exchange Act. Texas Commerce Bancshares, Inc., 48 S.E.C. 818; Universal Money Centers, Inc., 48 S.E.C. 837.

The requirement that an issuer file reports under Section 13(a) of the Exchange Act embodies the requirement that such reports be

true and correct. Texas Commerce Bancshares, Inc., 48 S.E.C. 818; Universal Money Centers, Inc., 48 S.E.C. 837.

Where bank holding company, in violation of Section 13(b)(2) of the Exchange Act, failed to have records which accurately reflected,

and internal controls which properly identified, problem loans, in that it failed to consistently apply its method of assessing probable loss from such loans and failed to review entire loan portfolio in adequate and timely fashion, and where accordingly its Forms 10-K and 10-Q variously misstated its loan loss reserve, earnings, and net income, ordered that bank holding company comply with applicable requirements, and undertake to continue in place certain remedial procedures, to publish in its Form S-4 the effect of the understatement of its loan loss reserve, and to file a Form 8-K describing the instant order. Texas Commerce Bancshares, Inc., 48 S.E.C. 818.

Where issuer, in violation of Section 13(b)(2) of the Exchange Act, failed to keep records that accurately and fairly reflected the retention of assets assertedly sold and liabilities related to its obligations in financing sales thereof, and failed to maintain internal controls to insure that such records were properly kept, and where issuer violated Section 13(a) of the Act by filing Forms 10-K and 10-Q that overstated sales revenues and net profits and materially understated liabilities, ordered, that issuer file a copy of the instant order with a Form 10-K and comply with applicable requirements. Universal Money Centers, Inc., 48 S.E.C. 837.

Where individual, who during relevant period was issuer's chief financial officer, was recklessly ignorant of facts pointing to improper recording of transactions' timing, furnished sales documents to auditors, which, in fact, were incomplete, caused issuer's records to improperly reflect financing expenses as rental payments, and incorrectly told auditors that such payments were not made pursuant to legal obligation, held, chief financial officer caused issuer to violate reporting requirements of Section 13(a) of the Exchange Act and Rules 12b-20, 13a-1, and 13a-13 thereunder in that issuer's quarterly and annual reports materially overstated sales revenues and net profits and

materially understated liabilities, caused issuer to violate recordkeeping and accounting control requirements of Section 13(b)(2) of the Act and Rule 13b2-1 thereunder, and violated the prohibitions of misstatements to auditors under Rule 13b2-2, and ordered that individual comply with the above requirements. Steven L. Komm, 48 S.E.C. 924 (1988).

Where issuer improperly treated as dividend income the gain component of wash transactions in dividend-bearing stocks, improperly treated as gains the appreciation on portfolio debt securities ostensibly sold in other wash transactions, and issuer's chief financial officer approved the accounting treatment of the latter transactions, held issuer violated reporting requirements of Section 13(a) of the Exchange Act and Rules 13a-1, 13a-13, and 12b-20 thereunder, as well as the requirements of Regulation S-X, and chief financial officer caused such violations with respect to debt securities transactions, and it was ordered that issuer and chief financial officer comply with applicable requirements. USF&G Corporation, 48 S.E.C. 934 (1988).

Where three officials of issuer, namely, its chairman, president, and chief financial officer, knew that issuer's billing system was inadequate and resulted in customer confusion and complaints, and knew or should have known that issuer's systems did not permit a proper analysis and aging of receivables, but failed to take sufficient systematic action to remedy these defects, held, those officials were causes of issuer's violations of reporting requirements of Section 13(a) of the Exchange Act and Rules 12b-20, 13a-1, and 13a-13 thereunder, as well as of the internal control requirements of Section 13(b)(2)(B) of the Act, and ordered, that officials take steps to effect compliance with above requirements. Michael P. Richer, 48 S.E.C. 974 (1988).

Where issuer, a holding company in the investment banking and brokerage fields, in connection with the preparation of its financial statements, failed to maintain a system to evaluate adequately risks in maintaining a market in "upper floater" bonds at or near par, to ascertain whether sales force was exposing issuer to potential liability on representations that such marketmaking activities would continue, or to evaluate nature and magnitude of any such liability (including the determination of whether an accrual must be made to reflect probable liability or whether, as a lesser measure, disclosure of reasonably possible liability must be made), held, issuer violated reporting requirements of Exchange Act Section 13(a) and Rules 13a-1, 13a-13, and 12b-20 thereunder and internal control requirements of Exchange Act Section 13(b)(2)(B), and ordered, that issuer comply with applicable provisions and with undertakings to explain the above matters in annual report to be filed with Commission. E.F. Hutton Group, Inc., 48 S.E.C. 986 (1988).

Where issuer's Form 10-K filed with the Commission contained material misrepresentations and omissions regarding its primary subsidiary's prior failures to obtain adequate financing, industry experience, business prospects and the existence of key employees, and failed to address those deficiencies in Forms 10-Q subsequently filed, held, issuer violated reporting requirements of Exchange Act Section 13(a) and Rules 12b-20, 13a-1 and 13a-13 thereunder, and ordered that issuer comply with those requirements. York Research Corporation, 48 S.E.C. 1020 (1988).

Where individual controlled group comprised of investment advisers and affiliated entities with intent of pursuing leveraged buyout of corporation, group purchased or held stock in corporation in furtherance of that objective, and accumulated over 5 percent of corporation's stock as of certain date, but did not file Schedule 13D until almost four months later, and individual

failed to report his indirect ownership of more than 5 percent of corporation's stock, held, (1) individual and group violated Exchange Act Section 13(d) and Rule 13d-1 thereunder; (2) investment advisers, because of membership in group, could not satisfy reporting requirements merely by jointly disclosing their holdings on short form Schedule 13G; and (3) individual was cause of group's violations, and ordered, that individual and members of group comply with above provisions, retain counsel to review and prepare report on compliance procedures, submit such report to boards of group members and of related investment companies, and make available to Commission staff both such report and description of actions taken pursuant to recommendations therein. The Gabelli Group, Inc., 26005.

Where issuer's Schedule 13E-3, filed in connection with recommendation that shareholders approve proposed going private merger transaction, failed adequately to disclose the transaction's purposes, benefits, and detriments, the basis for board's belief that proposed merger price was fair, reports from investment banking firm regarding the fairness question (including those aspects of reports regarding reasons why previously proposed price was not fair), circumstances surrounding previous inquiries made to purchase issuer's common stock, and information concerning related appraisals of certain properties, held, (1) inadequate disclosure was made to provide minority public shareholders adequate information with respect to exercising appraisal rights and (2) issuer failed to comply with Section 13(e) of the Securities Exchange Act and Rule 13e-3 thereunder, and ordered that issuer shall comply with those provisions. Meyers Parking System, Inc., 26069.

Issuer failed to comply with Schedule 13E-3 requirement to state purpose for transaction where issuer merely furnished conclusory statement that purchaser's purpose in engaging in merger transaction was to acquire the entire equity interest in the issuer. More

specific responses, addressed to issuer's purposes, e.g., to facilitate future development or sale of issuer's assets, to undertake greater risks, or to avoid burdens imposed on reporting company, were required. If cutting regulatory costs was the appropriate response, such costs should have been quantified to extent possible. Meyers Parking System, 26069.

Issuer's conclusory "laundry list" of factors failed to constitute reasonably detailed discussion of material factors in board's determination of fair buy-out price in going private transaction as required in Schedule 13E-3. List contained no detailed analysis, no discussion of which factors were important or rejected and the bases therefor, and no discussion of whether particular factors favored or detracted from a conclusion that the transaction in question was fair. Meyers Parking System, 26069.

Where former chairman and other officials of issuer implemented practices of inaccurately dating invoices to reflect revenue in quarters that preceded those of actual shipments and preparing invoices for goods not yet shipped, and where issuer, aided by different employees, delayed crediting customer accounts for product returns, with the overall result that issuer's filed reports overstated net sales and net income, held, issuer violated reporting requirements of Exchange Act Section 13(a) and Rules 12b-20, 13a-1 and 13a-13 thereunder, recordkeeping requirements of Exchange Act Section 13(b)(2)(A) and internal control requirements of Exchange Act Section 13(b)(2)(B), former chairman caused issuer's reporting and internal control violations and other officials caused reporting violations and violated prohibition of false accounting records set forth in Exchange Act Rule 13b2-1. It was accordingly ordered that issuer, if it becomes subject to reporting requirements, shall comply therewith, that former chairman shall take steps to effect compliance with reporting and internal

control requirements in the event his future position or responsibilities requires such, and, under similar conditions, other officials shall take steps to effect compliance with reporting requirements. Matrix Science Corporation, 26234.

Requirement to file reports under Exchange Act Section 13(a) embodies the requirement that such reports be accurate. Matrix Science Corporation, 26234.

Employees not directly responsible for and not directly involved in reporting process but whose improper conduct contributes to reporting violations may not escape culpability in proceeding under Exchange Act Section 15(c)(4) by relying on fact that their conduct was condoned, or even ordered, by superior. Matrix Science Corporation, 26234.

Where shareholder of issuer failed to promptly amend its Schedule 13D with respect to holdings in issuer to reflect material changes even though, subsequent to Schedule's filing: (1) Item 4 thereof became materially inaccurate with respect to representation therein that shareholder would not oppose issuer's management, (2) shareholder formed intent to influence or control issuer's management, and (3) shareholder developed plan to change composition of issuer's board and where shareholder further made material misstatements and omissions in amendment which it did file regarding its intentions, held, shareholder violated ownership reporting requirements of Exchange Act Section 13(d) and Rule 13d-2 thereunder, and shareholder ordered to comply with Section and rules thereunder. Merry Land & Investment Company, Inc., 26410.

Where shareholder, in Schedule 13D statement of purpose of acquisition of shares of issuer, represented that it would not initiate or support certain hostile activities against issuer's management, and subsequently departed from that stated course of action in respects that a reasonable shareholder would

consider important, shareholder was required to amend Schedule 13D to reflect material change. Merry Land & Investment Company, Inc., 26410.

In addition to an acquirer's duty to promptly amend its Schedule 13D in the event of any material change in its previous Schedule 13D statements, Item 4 requires the affirmative duty to disclose, by the filing of an amendment, any purpose by the acquiring person to influence or control the subject company or to change the composition of its board. Merry Land & Investment Company, Inc., 26410.

Where issuer's Forms 10-K and 10-Q inaccurately described issuer's revenue recognition policies, financial statements filed with those forms improperly used the method of cumulative effect adjustment in current period rather than prior period adjustment to correct errors, and such statements materially misstated issuer's income in that they improperly recognized revenue for sales of equipment in "expansion pools" at a time when customers were not obligated for the equipment, and where official of issuer concealed from issuer evidence of a customer's disavowal of commitment, held, issuer violated reporting requirements of Exchange Act Section 13(a) and Rules 12b-20, 13a-1, and 13a-13 thereunder and recordkeeping requirements of Exchange Act Section 13(b)(2)(A) and official of issuer violated prohibition of record falsification contained in Rule 13b2-1 under the Exchange Act and thereby was a cause of issuer's violation of Exchange Act Section 13(b)(2)(A). DSC Communications Corporation, 26434.

Financial statements filed under Exchange Act Section 13(a) must comply with generally accepted accounting principles. DSC Communications Corporation, 26434.

Issuer's stated revenue recognition policy that issuer would record revenue when it had completed all manufacturing to customer

specifications, factory testing had been completed and accepted by the customer, and system had been delivered to a designated location fairly implied that revenue would be recognized when equipment had been shipped to a final customer-designated location and when an exchange had occurred, in accordance with generally accepted accounting principles. DSC Communications Corporation, 26434.

Where acquiring shareholder's Schedule 13D disclosed acquisition of 12.3% of issuer's stock "for investment" with the possibility of a future increase subject to an array of alternatives, acquiring shareholder later agreed to buy additional 6.1% block and determined to seek to increase its stake to total of at least 20%, if feasible, but did not amend Schedule 13D to report material changes reflected by such agreement and determination until a date 12 days (including 8 business days) subsequent to date of agreement and 6 days following determination, held, acquiring shareholder failed to comply with prompt amendment requirements of Exchange Act Section 13(d) and Rule 13d-2 thereunder and ordered that acquiring shareholder comply with those requirements. Sequa Corporation, 26839.

Where issuer's internal accounting controls were insufficient to give reasonable assurances: (1) that information pertinent to accounting for certain real estate transactions in accordance with generally accepted accounting principles was disseminated or considered by responsible corporate officials and (2) that transactions were properly authorized, and issuer's quarterly and annual reports filed with Commission improperly recognized gain and failed to treat transaction as an exchange of properties, held, issuer violated reporting requirements of Section 13(a) of the Exchange Act and Rules 13a-1 and 13a-13 thereunder, recordkeeping requirements of Section 13(b)(2)(A) of the Act, and internal control requirements of Section 13(b)(2)(B) of the Act, and ordered that issuer abide by

comprehensive undertakings designed to ensure future compliance. M.D.C. Holdings, Inc., 27208.

The failure to consider pertinent information available within the issuer in the preparation of financial information compromises the integrity of the financial reporting process. Id.

The recordkeeping provision of Section 13(b)(2) of the Securities Exchange Act is intimately related to the requirement for a system of internal accounting controls and has among its objectives the establishment and maintenance of records of sufficient accuracy to prepare financial statements in accordance with generally accepted accounting principles. Id.

Issuers faced with rapid growth and changing business activities must be especially vigilant in reviewing the adequacy of their recordkeeping and internal accounting controls. Id.

Conformity with Regulation S-X requires conformity with generally accepted accounting principles. Michael P. Richer, 48 S.E.C. 974 (1988); M.D.C. Holdings, Inc., 27208.

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964.210 Evidence Held by Court to Have Been Improperly Excluded
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Sidney I. Shupack, IA 1061.
971.580 Violations Giving Rise to Bar
Sidney I. Shupack, IA 1061.
971.584 Involving Area of Business Different Than One Involving Fraud Already Found
Sidney I. Shupack, IA 1061.

973. SANCTIONS (SEE ALSO: MOTION TO VACATE, this Part)
973.100 Application for Modification of Sanction, Denial
973.200 Application for Modification of Sanction Originally Imposed by Self-Regulatory Organization Should be Directed to That Self-Regulatory Organization.
973.800. Uncharged Violations, Improper Basis for

975. SEVERANCE
975.200 Denial Sustained
975.300 Grant to Another Respondent, Sustained

980. STAY OF COMMISSION ORDER

980.005 Applicable Criteria
Board of Trade of the City of Chicago, SEA 26528.

980.010 Bar with Permission to Re-Apply for Re-Entry After Fixed Period, to be Treated Differently than Suspension

980.030 Harm flowing from Grant of Stay
Board of Trade of the City of Chicago, SEA 26528.

980.035 Interim Stay, Pending Commission's Disposition of Stay Application, Granted
Chicago Mercantile Exchange, 26728.

980.040 Irreparable Harm, Claim of

980.044 Chaos from Reversal by Court, Asserted
Board of Trade of the City of Chicago, SEA 26528.

980.045 Competition Assertedly Flowing from Business of Clearing Agency Registered under Commission's Order
Board of Trade of the City of Chicago, SEA 26528.

980.100 Pending Application to Court for Stay

980.120 Denied

980.150 Granted

980.300 Pending Determination of Appeal in Court

980.320 Denied

980.325 Clearing Agency Registration, Stay Request by Opponent of
Board of Trade of the City of Chicago, SEA 26528.

980.350 Granted
Curtis I. Wilson (File No. 3-6828, 3/23/89) (delegated authority); The Stuart-James Company, Inc. (File No. 3-6668, 8/4/87); Lashco, Inc. (File No. 3-6580, 8/19/87).

980.360 Granted on Condition that Appeal is Pursued
R.A. Johnson & Company, Inc., (File No. 3-6660, 4/7/88) (delegated authority); Lawrence Fein (File No. 3-6656, 7/22/88) (delegated authority).

980.365 Extended in Part Pending Decision on Writ of Certiorari in Supreme Court

980.370 Partial Stay Granted

980.375 Limited Time, Request for Stay, Denied

980.380 No Right to Automatic Stay

980.400 Pending Determination of Application to Court for Stay
980.450 Granted
980.455 Limited to Time Certain
980.500 Pending Determination of Petition for Rehearing or Reconsideration
980.520 Denied
980.550 Granted
980.700 Pending Filing of Petition for Review
980.720 Denied
980.750 Pending Preparation for Rehearing
980.760 Denied
980.800 Sale of Business, to Enable Revoked Investment Adviser to Undertake
980.820 Denied
980.850 Temporary Suspension of Regulation A Exemption

980.A STAY OF ORDER ISSUED ON DELEGATED AUTHORITY
980A.600 Lifted
Institutional Networks Corporation, SEA 25039.

981. STAY OF PROCEEDINGS
981.050 Commission Proceedings, Pending Court Action Brought by Respondents Against Commission, Denied
981.055 Commission Proceedings, Pending Determination of Motion for Clarification or Amendment of Order Calling for Hearings
Blinder, Robinson & Co., Inc., (File 3-6380, 9/2/88)
981.060 Commission Proceedings on Review of Initial Decision, Pending Settlement Discussions, Motion Denied
981.100 NASD Appeal, Pending Determination of Commission Proceedings
981.110 Denied
981.150 Pending Appeal from NASD Action
981.155 Denied
981.160 Stay of Proceedings Pending Completion of Jury Trials, Denied
981.200 Pending Disposition of Criminal Proceedings
981.220 Denied
981.225 On Appeal
981.280 Pending Disposition of Similar Issues in Injunctive Action, Denied
981.300 Proceedings on Respondent's Motion to Dismiss, Division's Motion to Stay.
981.320 Denied

981A. STAY OF SELF REGULATORY ORGANIZATION ACTION PENDING COMMISSION REVIEW

981A.100 Applicable Criteria
Halpert, Oberst and Company, (File No. 3-6977, 6/21/88); Pacific Stock Exchange's Options Floor Post X-17, SEA 27568.

981A.105 Irreparable Harm
Halpert, Oberst and Company, (File No. 3-6977, 6/21/88).

981A.110 Loss of Business, Asserted
Pacific Stock Exchange's Options Floor Post X-17, SEA 27568.

981A.112 Mootness, If Stay Denied, Asserted
Pacific Stock Exchange's Options Floor Post X-17, SEA 27568.

981A.150 Public Interest, Need to Protect Outweighs Detriment to Respondent

981A.170 Stay of AMEX Action, Granted

981A.200 Stay of Boston Stock Exchange Action

981A.210 Granted

981A.300 Stay of CBOE Action

981A.310 Denied

981A.315 Denied Except as to Retention of Seat

981A.316 Denied for Lack of Timely Appeal

981A.320 Granted

981A.330 Granted on Expedited Briefing Schedule

981A.340 Pending Appeal of Commission Decision to Court

981A.350 Stay of Clearing Agency Action

981A.355 Granted

981A.400 Stay of NASD Action

981A.410 Denied
MCG Portfolio Management Corp. (File No. 3-6861, 6/25/87)(disqualification proceedings; denial in part); K. A. Knapp & Co., Inc. (File No. 3-6860, 6/30/87); MCG Portfolio Management Corp. (File No. 3-6894, 9/16/87); Dennis R. Imhoff (File No. 3-6903, 10/2/87); American Investors of Pittsburgh, Inc., (File No. 3-6956, 2/10/88) (disqualification proceedings); Joe L. Howard (File No. 3-7047, 9/2/88) (delegated authority); David Paul Lein (File No. 3-7061, 9/29/88) (delegated authority); J. V. Ace & Company, Inc. (File No. 3-7080) (delegated authority); James E. Greenfield (File No. 3-7086, 11/17/88)

(delegated authority); Charles L. Campbell (File No. 3-7099, 12/21/88) (delegated authority); Stanley D. Gardenswartz (File No. 3-7089, 12/1/88) (delegated authority); Pietro Gattini (File No. 3-7130, 2/14/89) (delegated authority); Lowell H. Listrom (File No. 3-7156, 3/8/89) (delegated authority); John M. Reynolds (File No. 3-7203, 12/11/89).

981A.415 Denied for Lack of Timely Appeal

981A.418 Stay of NASD Order Disapproving Proposed Association, Would Not, If Granted, Substitute for NASD's Approval

981A.419 Financial Responsibility Restrictions, Denial of Stay

K. A. Knapp & Co., Inc. (File No. 3-6860, 6/30/87); V.H. Costello Securities, Inc., (File 3-7170, 5/22/89) (delegated authority).

981A.420 Stay of NASD Action Pending Parallel Commission Action, Denied

981A.430 Granted

981A.4301 Disciplinary Proceedings

David Arm (File No. 3-6575, 2/1/88) (delegated authority); Mark D. Thomason (File No. 3- 7137, 6/5/89) (delegated authority).

981A.431 Disqualification Proceedings

MCG Portfolio Management Corp., (File No. 3-6861, 6/25/87)(granted in part); Gallagher & Co. (File No. 3-6953, 2/16/88); Floyd R. Farleigh (File No. 3-7006, 6/1/88); Tara Securities Corporation (File No. 3-7008, 6/7/88); Halpert, Oberst and Company, (File No. 3-6977, 6/21/88).

981A.435 Granted in Part

Kim G. Girdner (File No. 3-6884, 9/9/87); Charles L. Campbell, (File No. 3-7099, 12/21/88) (delegated authority); Pietro Gattini (File No. 3-7130, 2/14/89) (delegated authority); Lowell H. Listrom (File No. 3-7156, 3/8/89) (delegated authority); John M. Reynolds (File No. 3-7203, 12/11/89).

981A.440 Pending Appeal of Commission Decision to Court (See: STAY OF COMMISSION ORDER, this Part.)
981A.450 Stay of Publication of NASD Decision Pending Commission Review, Denied
981A.500 Stay of NYSE Action
981A.520 Denied
Richard J. Daniello (File No. 3-6944, 1/26/89) (delegated authority).
981A.522 Denied Except as to Retention of Membership
981A.530 Granted
981A.535 Granted in Part
981A.540 Pending Appeal of Commission Decision to Court
981A.545 Publicity of NYSE's Action, Stay Thereof Denied
981A.550 Suspension, Particular Suitability of Stay in Case Involving
981A.600 Stay of PSE Action
David J. Ornstil (File No. 3-7017, 6/8/88) (delegated authority)
981A.604 Denied
Pacific Stock Exchange's Options Floor Post X-17, SEA 27568.
981A.605 Fine, Stayed Notwithstanding PSE's Insistence Upon Immediate Enforcement
David J. Ornstil (File No. 3-7017, 6/8/88) (delegated authority).

982. STIPULATION
982.500 Modification

983. STRIKE, MOTION TO
983.100 Allegations, as Not Charging Violations
983.400 Proposed Findings and/or Brief, Portions Assertedly Outside Scope of Allegations
983.500 Testimony and Arguments, for Refusal to Comply with Subpoenas

985. SUBPOENA (SEE ALSO: PRODUCTION OF INFORMATION OR DOCUMENTS, REQUEST FOR, this Part)
985.200 Enforcement Action in Court, Authorized
985.280 Investigative Matters
985.300 Issuance, Appropriateness
985.400 Modification
985.600 Quashing of
985.700 Service Upon Counsel, Sufficient

985.800 Staff Misconduct, Subpoenas to Explore Alleged, Denied
985.900 Summary Affirmance
985.990 Third-Party Subpoenas, No Right to Notice of

986. TRANSMITTAL OF EVIDENCE IN ADMINISTRATIVE HEARING TO U.S. ATTORNEY'S OFFICE
986.700 Motion to Transmit, Granted

987. TRANSCRIPT OF HEADINGS, RESPONDENT'S RIGHT TO USE STAFF'S COPY OF

989. VACATE, MOTION TO
989.250 Order Dismissing Review Application
989.300 Order Imposing Sanctions, Based on Alleged Fabricated Evidence
989.360 Order Imposing Sanctions, Based on Permission to Apply for Re-Entry
989.365 Order Imposing Sanctions, Based on Subsequent Court Decision
Cranford Delano Newell (File No. 3-6174, 8/9/88).
989.370 Order Imposing Sanctions, Denied, but with Permission to Occupy Supervisory Position with Current Employer
989.380 Order Imposing Sanctions, Embarrassment Claimed
989.390 Order Imposing Sanctions, Good Behavior Asserted
Cranford Delano Newell (File No. 3-6174, 8/9/88).
989.400 Motion to Vacate Order in Settled Case
Cranford Delano Newell (File No. 3-6174, 8/9/88); Mabon Nugent & Co., SEA 27301.
989.500 Second Motion to Vacate, Arguments Not Raised in Previous Motion
Cranford Delano Newell (File No. 3-6174, 8/9/88).
989.540 Settlement, Respondent Allegedly Misled In Agreeing To
Cranford Delano Newell (File No. 3-6174, 8/9/88).
989.550 Settlement, As Precluding Later Motion To Vacate
Cranford Delano Newell (File No. 3-6174, 8/9/88).
989.555 Vacation of Settlement Order Finding Failure to Supervise to Prevent Violation Appropriate Where Litigating Subordinate Prevailed On Issue of Whether Violation Had Occurred

Mabon Nugent & Co., SEA 27301.
989.560 Settlement, Inquiry By Commission As To Respondent's Understanding, Absence of No Ground to Vacate
Cranford Delano Newell (File No. 3-6174, 8/9/88).
989.700 Standards Applicable on Motion to Vacate
Cranford Delano Newell (File No. 3-6174, 8/9/88).

989A WELLS SUBMISSION
989A.450 Invitation to Submit, Not Required on Part of Staff
989A.800 Untimely, Request to Make Found

990. WITNESSES (SEE: EVIDENCE)
990.400 Duty of Staff to Call for Respondent's Benefit